



Attached is information prepared by the staff of the House Republican Study Committee comparing President Bush's stimulus proposal and the proposal released by House Democrats on January 6, 2003.

Key Points:

- ✓ The Democratic Plan is too timid to stimulate the economy and create new jobs. President Bush's Plan is estimated to create more than twice as many jobs as the Democrat Plan (2.1 million to 850,000)
- ✓ 31% of the Democratic Plan is more government spending. An additional 10% is dedicated to unemployment assistance. President Bush's Plan sets aside funds for unemployment assistance, but does not expand other government spending.
- ✓ 98% of the total tax relief in the Democratic Plan is dedicated to a one-time rebate of no more than \$600 per family. President Bush's Plan would provide an average of \$1,083 in tax relief in 2003 with continuing tax relief in future years.

Job Creation

Democratic Proposal

✓ 850,000

*(Based on methodology used by
Council of Economic Advisors as
reported by House Democrats)*

Bush Proposal

✓ 2.1 million

*(Estimate by the Council of
Economic Advisors)*

Assistance for Small Businesses

Democratic Proposal

- ✓ Increase expensing to \$50,000

Bush Proposal

- ✓ Increase expensing to \$75,000
- ✓ Immediately reduce the income tax rate paid by small businesses to no higher than the level paid by large corporations (current reduction is phased in)

Impact: 23 million small business owners would receive tax relief averaging \$2,042.

Assistance for Families

Democratic Proposal

- ✓ One-time rebate of \$300 per individual or \$600 per couple

Bush Proposal

- ✓ Immediately implement new 10% tax rate for all taxpayers (currently scheduled for 2008)
- ✓ Immediately reduce other income tax rates by at least 2 points
- ✓ Immediately reduce the marriage penalty (current reduction scheduled for 2009)
- ✓ Immediately increase the per child tax credit to \$1,000 – implemented with an immediate rebate (current increase scheduled for 2010)

Impact: 46 million married couples receive tax relief averaging \$1,716; 34 million families with children receive an average of \$1,473; and 6 million single moms receive an average of \$541

Investment Relief

Democratic Proposal

✓ Restructure already enacted tax relief for businesses that invest in new plants and equipment – net result of Democrat plan is \$1 billion in additional assistance over 3 years

Bush Proposal

✓ Eliminate the double taxation of dividends, thereby reducing the cost of investing and encouraging additional investment in America's businesses

Impact: Tax relief for roughly 35 million households who have investment income -- nearly half of of these households (45.6%) had adjusted gross income of less than \$50,000

Unemployment Assistance

Democratic Proposal

- ✓ 26-week extension of benefits and expansion of benefits to individuals who do not currently qualify

Bush Proposal

- ✓ Extend unemployment benefits
- ✓ Create new Personal Re-employment accounts to provide \$3,000 in flexible assistance to at least 1.2 million unemployed Americans

Government Spending

Democratic Proposal

✓ \$31 billion in additional government spending

Bush Proposal

✓ No additional government spending

Philosophical Approaches to Tax Relief

Democrats

“In spending money, we [Congress] provide money for the American taxpayers...”

---Senate Democrat Whip Harry Reid
(*Reuters, January 5, 2003*)

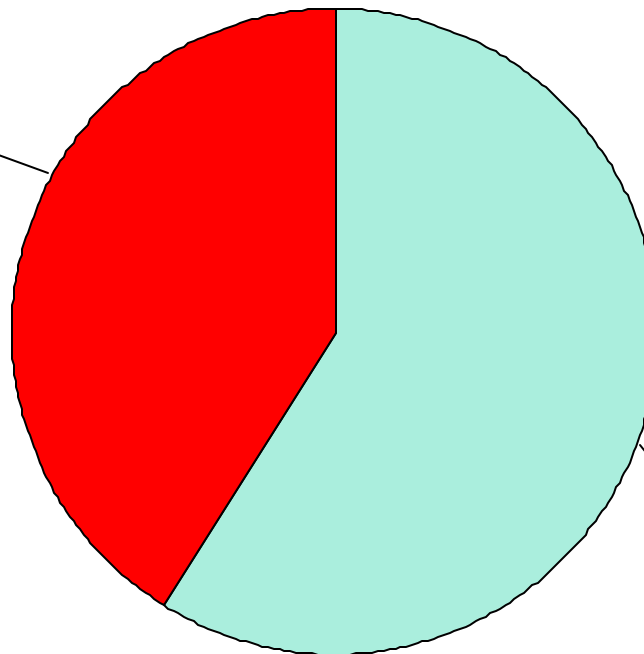
President Bush and Republicans

"We don't believe it's the role of government to manage the economy. We've got great faith in the private sector. And so we're going to create the environment for the private sector to be stronger. That's the policy of this administration.“

---President George W. Bush
(*January 6, 2003*)

Democrat Stimulus Proposal

Unemployment
Assistance &
Government
Spending -- \$41
Billion



Tax Relief --
\$59 Billion